



Signed and Filed: April 7, 2020

Dennis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

In re:

PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC COMPANY,)

Debtors.

Affects PG&E Corporation

Affects Pacific Gas and
Electric Company

Affects both Debtors

* All papers shall be filed in

the Lead Case, No. 19-30088 (DM).)

) Bankruptcy Case

) No. 19-30088-DM

) Chapter 11

) Jointly Administered

) Date: April 7, 2020

) Time: 10:00 AM

) Place: Courtroom 17

450 Golden Gate Ave.

16th Floor

San Francisco, CA

**ORDER DENYING MOTION FOR ENTRY OF AN ORDER DIRECTING
SUPPLEMENTAL DISCLOSURE IN THE FORM OF A LETTER FROM THE TCC**

The court has considered on an expedited basis the motion of the Official Committee of Tort Claimants ("TCC") for authority of the court to authorize supplemental disclosures in the form of a letter from the TCC to the class of creditors known as the Fire Claimants ("Motion"). More specifically, what the TCC wants is for the court to permit it to advise members of

1 that class, impaired under the pending Debtors' Plan, to
2 withhold their votes at least until the end of the month, by
3 which time the TCC hopes and believes there will be further
4 developments in the plan negotiation process to inform the class
5 members more fully.

6 Apart from the logistical and practical problems presented
7 by the time pressures presented in this case by the looming June
8 30, 2020, deadline of AB 1054, and the tragic worldwide pandemic
9 brought about by COVID-19, what the TCC seeks is not
10 appropriate.

11 The court has already approved the Debtors' Disclosure
12 Statement and virtually all of the issues raised by the TCC in
13 the Motion and proposed letter were well-known at the time of
14 the final hearing on the Disclosure Statement. The court
15 approved that Disclosure Statement as containing "adequate
16 information" on March 17, 2020 (Dkt. No. 6340). These include
17 the fact that an anticipated rights offering had not yet been
18 finalized then (and has not been finalized now). Also, there
19 were changes in the anticipated equity/debt structure of the
20 reorganized companies that differed from what had been described
21 in the Restructuring Support Agreement ("RSA") negotiated
22 between Debtors and the TCC. The TCC is also complaining about
23 a formula in the RSA for calculating the value of the
24 reorganized companies and wants the Debtors to "guarantee that
25 the stock issued to the Fire Victim Trust will be 'funded with
26 \$6.75 billion in cash and PG&E stock valued at 6.75 billion'".
27 These problems could have been flagged for insertion in the
28 Disclosure Statement then. At the very least the statement

1 could have included the very typical disclaimers such as
2 "Debtors contend...(and)TCC contends...". The proposed TCC letter
3 is not the proper place to debate the terms of the RSA. It says
4 what it says and the disclosures were deemed adequate just over
5 three weeks ago.

6 A massive undertaking for sending voluminous materials and
7 soliciting votes on the Plan is well-underway. Hundreds, if not
8 thousands, of members of the class have already voted. The TCC
9 apparently does not want to upset those votes, but it is beyond
10 doubt that confusion will reign if the court permits the
11 proposed letter to go out, leaving countless fire victims
12 confused even more than they might be now. Are their cast votes
13 valid? Should they ask to withdraw them? And what happens if
14 there is a pause, and voters do not recast their votes in time?

15 On top of that, in the very course of the hearing today
16 there was disagreement among various parties about what the
17 letter should or should not say. And a little over an hour
18 after the hearing counsel for the TCC uploaded a new version of
19 its letter, to be followed by an email to the Courtroom Deputy
20 that Debtors would be responding. This is no way for this
21 process to proceed and no way for the court to be involved in
22 condoning the process. This promotes more disorder and
23 confusion than certainty.

24 The court is satisfied that agreeing to the TCC's request
25 will cause more harm than good, and court-approval of its
26 proposal is ill-advised and must be rejected.

27 What little law there is on the subject makes clear that
28 once a disclosure statement is approved, parties are free to

1 attempt to persuade voters to vote for or against a plan. But
2 that is not the same as asking the court to approve a post-
3 approval plea to delay a vote while future events unfold, if
4 indeed they do at all within the time frame suggested. If the
5 TCC chooses to proceed, it does so without this court's approval
6 or disapproval.

7 The Motion is DENIED.

8 ***END OF ORDER***

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